

Message Text

LIMITED OFFICIAL USE

PAGE 01 ALGIER 01417 201528Z

45

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 PA-01 NSC-05 SS-15

STR-04 CEA-01 L-03 PRS-01 /095 W

----- 114439

R 201325Z JUN 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2600

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE ALGIERS 1417

PASS EXIM

E.O. 11652: N/A

TAGS: EFIN, AG

SUBJECT: EXIM FINANCING FOR NEW ALGERIAN PRODUCTS

REF: (ALGIERS 1412 (B) ALGIERS 0986

1. ALLIANCE TOOL AND GENERAL TELPHONE AND ELECTRIC HAVE BOTH APPROACHED EMBOFF ON NEED FOR EXIM FINANCING.

2. BOTH COMPANIES HAVE ESSENTIALLY COMPLETED NEGOTIATING LARGE PRODUCT-IN-HAND FACTORY CONTRACT. ALLIANCE CONTRACT IS FOR 50 MILLION DOLLAR DIE PRESS PLANT TO MAKE STAINLESS STEEL CUTLERY, HOLLOW WARE AND AUTOMOBILE FIXTURES. PRESSES ARE VERSATILE SO THAT MANY TYPES OF PRODUCTS CAN BE MADE. GTE PLANTS IS 250 MILLION DOLLAR PROJECT WITH AT LEAST 75-85 MILLION DOLLAR US EQUIPMENT COMPONENT. IT WILL PRODUCE TELECOMMUNICATION SWITCHING EQUIPMENT.

3. BOTH COMPANIES HAVE SUBMITTED BIDS WHICH ARE COMPETITIVELY PRICED AND HAVE BEEN INFORMED THEY ARE PREFERRED MANUFACTURER.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ALGIER 01417 201528Z

HOWEVER, BOTH COMPANIES SAY THEIR REQUESTS FOR EXIM

FINANCING HAVE BEEN TURNED DOWN AND THEIR EURODOLLAR
FINANCING PROPOSALS ARE MORE EXPENSIVE THAN THOSE OF FRENCH
AND SPANISH COMPETITORS.

4. GIVEN ALGERIAN BALANCE OF PAYMENTS PROBLEMS (ALGIERS 0986),
DECISION ON PROJECTS WILL BE BASED MORE ON CREDIT TERMS
THAN ANY OTHER FACTOR. THUS, US FIRMS ARE GOING TO HAVE HARD
TIME IN ALGERIAN MARKET UNLESS EXIM CAN PROVIDE SOME FINANCING.
HOWEVER, ALGERIAN DEBT FINANCING COSTS HAVE RISEN TO POINT
THAT EMBASSY WORRIED ABOUT INCREASED EXIM FINANCING
(REF A) AT THIS TIME.

5. SINCE MANY US PROJECTS ARE CLOSE TO DECISION STAGE -
GTE NEW SATELLITE GROUND STATION, PFIZER PHARMACEUTICAL
PLANT, GOODYEAR TIRE PLANT, GM AUTOMOBILE PLANT, PLUS
ALLIANCE AND GET CONTRACTS - EMBASSY IS NOT SURE WHAT
POSITION TO TAKE WITH US FIRMS PLEADING FOR EXIM CREDITS.
IT SHOULD BE NOTED THAT LE MONDE OF JUNE 18 REPORTS ALGERIAN
THREAT TO WITHDRAW AUTOMOTIVE, TIRE AND PHARMACEUTICAL PROJECTS UNLESS

FRENCH/ALGERIAN TRADE CAN BE MADE MORE IN BALANCE.LYNE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC TRENDS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ALGIER01417
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750215-1172
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750628/aaaaayto.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 (ALGIERS 1412, 75 ALGIERS 0986
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAY 2003 by ifshinsr>; APPROVED <28 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIM FINANCING FOR NEW ALGERIAN PRODUCTS
TAGS: EFIN, AG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006